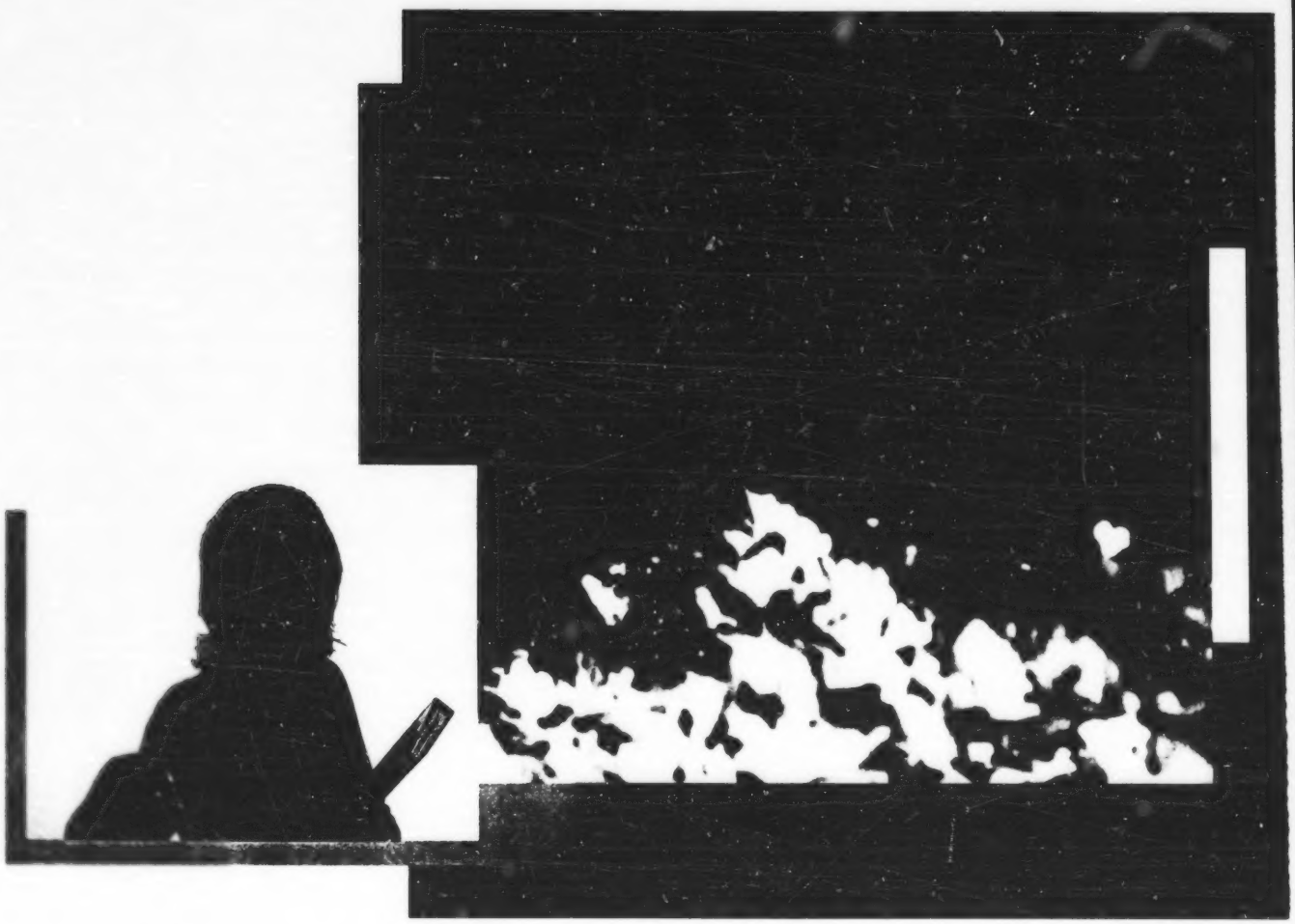
1999/2000 Annual Report



KEEWATIN
COMMUNITY COLLEGE

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KEEWATIN COMMUNITY COLLEGE

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KEEWATIN
COMMUNITY COLLEGE

Annual Report - October 30, 2000

The mission of Keewatin Community College:

"Through leadership and innovation, Keewatin Community College nurtures a learning environment that values and responds to the unique needs of our communities and people."

Keewatin Community College serves the post-secondary learning needs of the region north of the 53rd parallel. This is accomplished through the creation of learning opportunities for individuals, groups, communities, businesses, and industries. In discharging this responsibility, the College values:

- respect for the culture and traditions of our students and their sponsors;
- a commitment to high quality and increasing accessibility of our services;
- linkages with other education providers and community partners;
- learning as a life-long process;
- the North's achievement of its full productive potential.

The College offers over 30 diploma and certificate programs in the areas of applied science, technology, business, health, trades, and vocational fields. Through the College's Extension Division, a flexible array of learning opportunities are tailored to the specific needs of clients. New programs are continuously planned in response to the changing learning needs of the region served by the College.

Enhancing access to learning is a prevailing theme at KCC. With the creation of the College's new Educational Services Centre (ESC) in 1999, new learners are now provided with a range of support services to enhance their potential for achieving success at KCC. These supports include vocational and academic assessment, career counseling, individualized program planning, and referral to academic preparation courses, individualized academic tutorial services, and academic advisement.

Keewatin Community College fosters partnerships with communities, with social and economic development agencies, and with other education providers to increase institutional effectiveness.

Active program advisory committees provide advice to the institution on the continuing relevance of KCC program curricula and instructional facilities.

To reflect the College mission to serve the 'unique needs' of the communities and the people of northern Manitoba, KCC has strengthened the role and function of the Aboriginal Initiatives Division.

The College operates campuses in The Pas and Thompson, regional centres in Flin Flon, Churchill, Cross Lake, and Swan River, and a network of teaching sites throughout northern Manitoba. Annually, the College serves 3,500 full and part-time learners in a region, which comprises 80% of the landmass of Manitoba.

The College has embraced distance education technologies as a means of addressing the access issues that necessarily accompany the provision of learning services to such a vast region.

The College is also committed to becoming evermore community-based in the provision of its programs and services. Effective progress in this regard requires the provision of strong administrative, informational and academic supports, coupled with the institutional will to endorse local empowerment.

KEEWATIN
COMMUNITY COLLEGE

During the past year, Keewatin Community College reviewed all its internal operating systems so as to strengthen the public image of the institution, and to enable the College to respond more effectively to the changing learning demands and expectations of the people potentially served.

With the endorsement of the KCC Board of Governors, the President conducted a broad and formalized consultation with College staff to identify shared goals and to agree on a process for their attainment.

The recommendations heard were:

- to enhance access and support for all students
- to increase support for instructional development
- to integrate diversity into the curriculum
- to strengthen linkages to the community and advisory committees
- to improve communications and staff awareness of issues
- to support new technology implementation and utilization
- to be responsive and accountable to staff, students, government, and the community.

As a result of these consultations, four strategic priorities were identified:

- Effective Fiscal Management
- Institutional Stability
- Student-centredness and cultural responsiveness
- Service to Aboriginal People

These four priorities formed the foundation for actions taken in the 1999/00 year.

Effective Fiscal Management

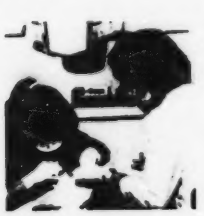
In 1999/00 the College reviewed its internal administrative processes and procedures to ensure that its financial and administrative systems were transparent, linked, and responsive to end-users. This activity included the development of internal operational guidelines and reporting procedures to facilitate the flow of work and information. As well, work began on designing, implementing and integrating performance and accountability measurements in three critical areas: learning services, information technology, and administration.

The College developed and implemented a college-wide strategic marketing plan. The formulation of this plan included a review of the College's existing marketing strategy, and the identification of a student recruitment goal of 10% enrolment growth per year. A new college calendar, a new college view-book, new program brochures, and a new college website were also produced and distributed during 1999/00.

Stability

It is a goal of the Board of Governors that KCC be a stable institution that inspires trust, loyalty, innovation, and respect. The availability of accurate information underlies the creation of such an institutional environment. Through a schedule of regular college-wide meetings and written communications, KCC staff was kept informed of institutional issues and concerns throughout the year. Additionally, a new college staff newsletter was distributed bi-weekly and posted to the College's new website, and a new college-wide Intranet, which was used to distribute key information to all stakeholders, became fully operational in 1999/00.

The Year 1999/00 in Review



The College also continued to make progress in the design and implementation of consistent, stable, and well-understood processes to administer services and programs.

Similarly, significant improvement was made to the college electronic link between The Pas, Thompson, and Flin Flon, allowing the distribution of learning in virtual classroom settings. In the coming years, KCC will be offering more services over the Internet. These services will include applications for admission, course delivery, class lists, student attendance reporting, early intervention reports, student marks, and academic transcripts.

Up-to-date policies and clear procedures are essential to ensuring organizational stability and trust, particularly in an institution as geographically dispersed as KCC. To this end, a major organizational initiative to review and update all college policies is ongoing. College policies and procedures will become available on-line through the new KCC website.

Student-Centredness, and Cultural Responsiveness

A significant achievement in support of students has been the establishment of the College's new Educational Services Centre. This new service was made possible through a partnership with Employment and Training Services and the Council on Post-Secondary Education. The Centre provides improved learning assessment and academic counseling services, program placement assistance, an array of learning support services, and employment counseling.

During 1999/00 significant improvements have been made to the availability of computing facilities for students. This initiative continues to be supported as funding becomes available.

Advisory committees ensure that college programs and services meet the needs of students, local business, industry, and communities. The College is committed to ensuring that every program, or program group, has in place an active, fully functional advisory committee by June 2001.

Keewatin Community College undertook a major review of its current program portfolio in the 1999/00 year. Each certificate and diploma program was reviewed against the criteria of enrolment, student retention, employment after graduation, and cultural relevance. The goal of this initiative was to ensure that college programs remain relevant to the constituencies served, that students are prepared for employment, and that northern communities have access to persons with the skill-sets needed for community development. As well, the College has embarked on a five-year schedule for program reviews

The achievement of instructional excellence is a major commitment at Keewatin Community College. Despite budget constraints, professional development activities for instructors were given priority. Additionally, the College established a new professional development committee to ensure that professional development activities are aligned with college strategic priorities.

Service To Aboriginal People

KCC serves a region where at least 50% of the population is Aboriginal, and the enrolment at KCC reflects this demographic reality. As such, KCC must strive to create a curriculum that is culturally responsive to Aboriginal learners. In order to identify key issues in this regard, the College commissioned an internal review of Aboriginal learning issues in 1999/00, and has begun to implement the recommendations contained in the report. The range of actions taken includes:

- Aboriginal orientation workshop offered to all staff.
- establishment of an Aboriginal Advisory Council to the President

- enhanced the availability of elder services to students and Aboriginal staff
- allocation of a permanent location on campus for a sweat lodge, including a change house
- establishment of a regional centre in Cross Lake, with the financial assistance from the Council on Post-Secondary Education (approximately 100 students were registered at this site in 1999/00)
- introduction of a Lands and Trusts Management program, offered in partnership with the Swampy Cree Tribal Council
- development of a partnership agreement with the Cree Nation Child and Family agency for the delivery professional training to agency staff
- organized presentations to students by Aboriginal role models
- sponsorship of a Helen Betty Osborne memorial celebration
- participation with Manitoba Keewatinowi Okimakinak (MKO) in a Steering Committee initiative to conduct a feasibility study for the establishment of a university college for the North

The Future

During the 1999/00 year, significant resources were allocated to the re-alignment of internal institutional practices and the identification of new values and expectations. In the 2000/01 year, the institutional focus will shift to strengthening the external profile of the institution. The College will introduce a new strategic plan detailing an institutional philosophy in keeping with today's expectations, and a program and service plan to guide the College for the next three years.

The College will conduct a series of community visits and consultations to receive advice about expected program and service directions, and to profile the new image of the KCC as 'state of the art', professional, competent, responsive, learner-centered, and informed.

The College will also continue to move forward with the internal process to review its programs and services against the criteria of labour market relevance, learner demand, delivery cost, and program quality.

The Province's College Expansion Initiative will be an important partner and resource for renewal at KCC as the College seeks to increase enrolments though the creation of new learning opportunities.

The College's growth strategy will be characterized by the following initiatives:

- renewal of the College's marketing and student recruitment plan
- introduction of new programs in response to demand
- continuous improvement of existing programs and services
- continued development of high demand programs
- strengthening industry/college partnerships
- strengthening KCC competence in the provision of community-based education
- service improvements to Aboriginal learners
- fostering innovative community partnerships in support of adult education
- supporting the development of a degree granting institution in northern Manitoba
- enhancing the College's capability to deliver technology-mediated distance education opportunities
- supporting regional initiatives aimed at securing adequate broadband infrastructure in northern Manitoba
- maintaining focus on being a learning organization

The Year 1999/00 in Review

AUDITORS' REPORT

To The Board of Governors
Keewatin Community College

We have audited the balance sheet of Keewatin Community College as at June 30, 2000 and the statements of operations, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2000 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

HAUGEN MORRISH
CHARTERED ACCOUNTANTS

The Pas, Manitoba
September 26, 2000

KEEWATIN COMMUNITY COLLEGE

STATEMENT 1

BALANCE SHEET
JUNE 30, 2000

	KCC Operating Fund	Inter-Universities North Fund	Trust and Endowment Fund	Combined 2000	Combined 1999 Restated
ASSETS					
CURRENT					
Cash and short term investments	$141,220	$6,378	$ 82,286	$229,884	$287,760
Accounts receivable (Note 4)	841,223	134,245	-	975,468	966,187
Due from COPSE (Note 5)	344,856	-	-	344,856	337,865
Inventory	162,455	-	-	162,455	162,935
Prepaid expenses	45,259	-	-	45,259	7,162
	1,535,013	140,623	82,286	1,757,922	1,761,909
CAPITAL ASSETS (Note 6)	1,409,404	34,040	-	1,443,444	1,465,142
DUE FROM PROVINCE OF MANITOBA (Note 7)	1,574,595	5,222	-	1,579,817	1,579,817
TOTAL ASSETS	$4,519,012	$179,885	$82,286	$4,781,183	$4,806,868
LIABILITIES					
CURRENT					
Bank indebtedness	-	-	-	-	$418,927
Due to Province of Manitoba	427,912	-	-	427,912	527,912
Accounts payable (Note 8)	690,943	112,136	-	803,079	867,601
Due to (from) other funds	63,921	(63,921)	-	0	0
Deferred grant revenue (Note 9)	504,784	32,220	-	537,004	458,196
Accrued vacation benefits	1,117,583	41,757	-	1,159,340	961,332
	2,805,143	122,192	-	2,927,335	3,233,968
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 10)	176,876	34,040	-	210,916	33,686
ACCRUED SEVERANCE BENEFITS	971,736	23,653	-	995,389	846,813
	3,953,755	179,886	-	4,133,640	4,114,467
FUND BALANCES					
FUND SURPLUS (DEFICIT)					
CONTRIBUTED SURPLUS	218,701	-	-	218,701	218,701
NET ASSETS INVESTED IN CAPITAL ASSETS	1,232,530	-	-	1,232,530	1,431,456
NET ASSETS RESTRICTED FOR TRUST & ENDOWMENT PURPOSES	-	-	82.286	82,286	60,386
UNRESTRICTED NET ASSETS	(885,974)	-	-	(885,974)	(1,018,142)
	565,257	-	82,286	647,543	692,401
TOTAL LIABILITIES & FUND BALANCES	$4,519,012	$179,885	$82,286	$4,781,183	$4,806,868

APPROVED BY THE BOARD OF GOVERNORS

Financial Statements

STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2000

	UNRESTRICTED		RESTRICTED	NET ASSETS INVESTED IN CAPITAL ASSETS		CONTRIBUTED SURPLUS	
	KCC Operating Fund	Inter-Universities North Fund	Trust and Endowment Fund	KCC Operating Fund	Inter-Universities North Fund	KCC Operating Fund	Combined 2000
FUND SURPLUS (DEFICIT), Beginning of year, as previously reported	$(1,019,228)	$1,086	$60,386	$1,437,724	$83,328	$218,701	$781,997
RETROACTIVE CHANGE IN ACCOUNTING POLICY (Note 3)	-	-	-	(6,268)	(83,328)	-	(89,596)
FUND SURPLUS (DEFICIT), Beginning of year, as restated	(1,019,228)	1,086	60,386	1,431,456	-	218,701	692,401
EXCESS REVENUE (EXPENSES)							
KCC Operating Fund	(65,672)	-	--	-	-	--	(65,672)
Inter-Universities North Fund	-	(1,086)	-	-	-	-	(1,086)
Trust and Endowment Fund	-	-	21,900	-	-	-	21,900
CHANGE IN NET ASSETS INVESTED IN CAPITAL ASSETS							
Amortization expense	136,683	8,823	-	(136,683)	(8,823)	-	-
Amortization of deferred contributions related to capital assets	-	(8,823)	-	-	8,823	-	-
Purchase of capital assets	176,875	9,177	-	(176,875)	(9,177)	-	-
Deferred contributions related to capital assets	(176,875)	(9,177)	-	176,875	9,177	-	-
Disposal of capital assets	62,243		-	(62,243)	-	-	-
FUND SURPLUS (DEFICIT) End of year	$(885,974)	$-	$82,286	$1,232,530	$-	$218,701	$647,543

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2000

	KCC Operating Fund	Inter-Universities North Fund	Trust and Endowment Fund	Combined 2000	Combined 1999 Restated
REVENUES					
Grants					
Council on Post-Secondary Education	$11,484,015	$842,924	-	**$12,326,939**	$11,276,761
Other (Schedule 1)	469,233	-	-	**469,233**	208,154
Amortization of deferred contributions related to capital assets	-	8,823	-	**8,823**	8,728
Ancillary sales and services (Schedule 2)	1,185,352	-	-	**1,185,352**	1,065,323
Donations	43,557	-	106,983	**150,540**	130,304
Investment income	30,448	2,258	5,250	**37,956**	57,048
Market Driven Training Centre	891,077	-	-	**891,077**	1,796,429
Tuition and student fees (Schedule 3)	1,759,491	285,132	-	**2,044,623**	1,789,802
Other revenue	406,699	66,230	-	**472,929**	579,000
	16,269,872	1,205,367	112,233	**17,587,472**	16,911,549
EXPENDITURES (Schedule 4)					
Advertising	210,533	15,270	-	**225,803**	253,349
Amortization of capital assets	136,683	8,823	-	**145,606**	136,158
Bad debts	258,235	9,165	-	**267,400**	89,892
Cost of Goods Sold	598,921	-	-	**598,921**	555,404
Employee benefits	852,545	58,403		**910,948**	896,812
Insurance	28,523	180	-	**28,703**	24,563
Library acquisitions	51,856	-	-	**51,856**	39,334
Loss on disposal of capital assets	28,126	-	-	**28,126**	7,259
Facility costs	616,236	-	-	**616,236**	551,035
Furniture and minor equipment	419,102	20,133	-	**439,235**	723,009
Maintenance and repairs	98,812	791	-	**99,603**	58,534
Operational supplies and services	1,474,830	49,922	-	**1,524,752**	1,778,303
Property taxes	401,553	-	-	**401,653**	378,516
Rentals and leases	194,808	25,259	-	**220,067**	235,149
Salaries	10,118,738	803,376	-	**10,922,114**	10,883,537
Scholarships and bursaries	-	-	90,333	**90,333**	143,455
Telephone and communication	305,917	14,824	-	**320,741**	309,130
Travel and hospitality	396,530	200,307	-	**596,837**	723,823
Utilities	143,596	-	-	**143,696**	123,132
	16,335,544	1,206,453	90,333	**17,632,330**	17,910,394
EXCESS REVENUES (EXPENDITURES)	$(65,672)	$(1,086)	$21,900	**$(44,858)**	(998,845)

Financial Statements

KEEWATIN COMMUNITY COLLEGE

STATEMENT 4

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2000

	2000	1999 Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess Revenues (Expenditures)		
Appropriated for specific purposes Fund	$ -	$(1,117,545)
KCC Operating Fund	(65,672)	(990,378)
Inter-Universities North Fund	(1,086)	1,086
Trust and Endowment Fund	21,900	(9,553)
	(44,858)	(2,116,390)
Add (deduct) items not involving cash		
Loss on disposal of capital assets	28,126	7,259
Amortization of capital assets	145,506	136,158
Amortization of deferred contributions related to capital assets	(8,823)	(8,728)
	119,951	(1,981,701)
Add (deduct) changes in non-cash working capital components related to operating activities		
Accounts receivable	(9,281)	(336,986)
Due from COPSE	(6,991)	(936)
Inventory	480	(35,630)
Prepaid expenses	(38,097)	5,143
Due to Province of Manitoba	(100,000)	527,912
Accounts payable and accrued liabilities	(64,522)	133,522
Deferred grant revenue	78,808	(813)
Accrued vacation benefits	198,008	29,517
Accrued severance benefits	148,576	19,585
	326,932	(1,640,387)
CASH FLOWS FROM FINANCING ACTIVITIES		
Deferred contributions related to capital assets	186,053	11,199
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(186,053)	(296,700)
Proceeds on disposal of capital assets	34,119	7,767
	(151,934)	(288,933)
NET INCREASE (DECREASE) IN CASH FLOWS DURING THE YEAR	361,051	(1,918,121)
CASH RESOURCES, BEGINNING OF YEAR	(131,167)	1,786,954
CASH RESOURCES, END OF YEAR	$229,884	$(131,167)
CASH RESOURCES COMPRISED OF:		
Cash and short term investments	$229,884	$287,760
Bank indebtedness	-	(418,927)
	$229,884	$(131,167)

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000

1 NATURE OF OPERATIONS

Keewatin Community College operates under the authority of the Colleges Act, Chapter Cl 50.1 of the continuing consolidation of the Statutes of Manitoba. This legislation established the College as a board-governed institution on April 1, 1993.

The college has tax-exempt status as a registered charity under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The transactions of the corporation have been segregated into the following funds in accordance with specified activities or objectives:

KCC Operating Fund — transactions related to educational and ancillary activities of Keewatin Community College.

Inter-Universities North Fund — transactions related to the educational programs of the Inter-Universities North Program which is administered by Keewatin Community College.

Trust and Endowment Fund — transactions related to donations and endowments for student scholarships and bursaries.

b) Revenue Recognition

Tuition and fees are recognized as revenue in the semester or term earned.

Revenue from Market Driven Training contracts is recognized during the year at a rate approximating the delivery of the contracted programs and services.

Investment income is recognized as revenue when earned.

Contributions:

Unrestricted contributions and grants are recognized as revenue when received or receivable.

Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred.

Donations are reported as revenue when received.

Endowment contributions (and/or investment income thereon) that are held in perpetuity according to restrictions placed by the donors are recognized as direct increases in the Trust and Endowment Fund Balance.

Contributions (or portions permitted thereof) which are designated for the purchase of capital assets are deferred and amortized to revenue at the same rate as the related capital assets are amortized to expenditures.

c) Short-term investments

Investments are recorded at the lower of cost or net realizable value.

d) Inventory

Inventory is recorded at the lower of cost or net realizable value.

e) Capital Assets

Individual capital assets with a value greater than $5,000 are capitalized and recorded at cost in the year of acquisition. Individual capital assets with a value less than $5,000 are expensed in the year of acquisition. Amortization of capitalized assets is recorded on a straight line basis commencing the year after acquisition over the following periods:

Automotive equipment	5 years
Buildings	40 years
Computer equipment	5 years
Other Equipment	10 years

Library holdings are valued using the "base stock" method, and accordingly are recorded at the value transferred upon governance at April 1, 1993. No amortization is taken on library holdings, and subsequent library acquisitions are expensed in the year of acquisition.

Certain capital assets purchased for specific Market Driven Training contracts are expensed in the year of purchase.

3. CHANGE IN ACCOUNTING POLICY

During the year the corporation changed its accounting policy related to capital assets. Previously, all individual assets purchased with a value of $750 or greater were capitalized and amortized over a five year period. The current policy is to capitalize assets with individual values exceeding $5,000, and to amortize the cost over the periods indicated in Note 2.

Notes to the Financial Statement

Previously, the portion of the operating grant designated for the Inter-Universities North program pertaining to capital asset purchases was not recorded as a contribution related to capital assets. The current policy is to consider any portion of the Inter-Universities North operating grant used to purchase capital assets as a contribution related to capital assets. Accordingly, any such portion of the operating grant is deferred and amortized on the same basis as the related capital asset.

This change in accounting policy has been applied retroactively and prior periods have been restated accordingly. The effects of the change on the financial statements of the immediately preceding period are as follows:

	KCC	IUN
Net capital assets, June 30, 1999 as previously reported	$2,746,855	$83,328
Effect of change in accounting policy	(1,315,399)	(49,642)
Net capital assets at June 30, 1999 restated	$1,431,456	$33,686
Deferred contributions related to capital assets, June 30, 1999 as previously reported	$1,309,132	$ -
Effect of change in accounting policy	(1,309,132)	33,686
Deferred contributions related to capital assets, June 30, 1999 as restated	-	33,686
Net assets invested in capital assets, June 30, 1999 as previously reported	$1,437,724	$83,328
Effect of change in accounting policy	(6,268)	(83,328)
Net assets invested in capital assets, June 30, 1999 as restated	$1,431,456	$ -
Excess expenditures, June 30, 1999, as previously reported		$(772,380)
Effect on change in accounting policy		(226,465)
Excess expenditures, June 30, 1999 as restated		$(998,845)

4. ACCOUNTS RECEIVABLE

KCC Operating Fund	2000	1999
Students	$195,867	$367,816
Market Driven Training	770,706	599,474
Other	270,779	16,222
	1,237,352	983,512
Less: Allowance for doubtful accounts	(396,129)	(124,871)
	$841,223	$858,641

4. ACCOUNTS RECEIVABLE *(continued)*

Inter-Universities North Fund		
Students	$92,271	$ 72,118
Other	51,139	35,428
	143,410	107,546
Less: Allowance for doubtful accounts	(9,165)	-
	$134,245	$107,546

5. DUE FROM COPSE

Accrued operating grants receivable from the Council on Post Secondary Education:

	2000	1999
Property taxes	$196,827	$204,726
ACRS	148,029	133,139
	$344,856	$337,865

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2000	1999
KCC Operating Fund				
Automotive equipment	$267,668	$121,676	$145,992	$154,346
Computer equipment	447,492	278,616	168,876	199,737
Other equipment	664,023	320,073	343,950	325,612
Buildings	47,000	10,575	36,425	37,600
Library Holdings	714,161	-	714,161	714,161
	$2,140,344	$730,940	$1,409,404	$1,431,456
Inter-Universities North Fund				
Computer equipment	$41,395	$18,163	$23,232	$31,510
Other equipment	14,616	3,808	10,808	2,176
	$56,011	$21,971	$34,040	$33,686

7. DUE FROM PROVINCE OF MANITOBA

The Province of Manitoba has recognized its liability to the corporation for the opening balances of accrued employee severance benefits and vacation benefits as at April 1, 1998. There are no terms of repayment for the balance due.

	2000	1999
Accrued severance benefits, April 1, 1998	$ 827,228	$ 827,228
Accrued vacation benefits, April 1, 1998	752,589	752,589
	$1,579,817	$1,579,817

8. ACCOUNTS PAYABLE

KCC Operating Fund	2000	1999
Trade accounts payable	$280,145	$33,300
Wages and benefits payable	18,205	319,228
Due to student associations	6,075	6,839
Deposits	612	420
Accrued ACRS	148,028	133,139
Accrued property taxes	196,828	204,726
Other accrued liabilities	41,050	25,000
	$690,943	$722,652

Inter-Universities North Fund	2000	1999
Trade accounts payable	$97,856	$122,945
Wages and benefits payable	48	22,003
Other accrued liabilities	14,232	-
	$112,136	$144,948

9. DEFERRED REVENUE

Deferred contributions reported in each fund relate to designated contributions received in the current year that are related to expenditures of a subsequent year. Changes in deferred contributions during the year are as follows:

	Beginning of year	Increases	Decreases	End of year
KCC Operating Fund				
COPSE - overpayment	$105,100	$105,100	$(105,100)	$105,100
COPSE - Restorative Justice	-	11,500	-	11,500
UofM Faculty of Nursing	80,000	120,000	(110,000)	90,000
MET-comp. based learning	39,145	47,700	(86,845)	-
MET-Flin Flon Employment Centre	28,650	9,605	(38,255)	-
MET-Aboriginal distance ed	25,056	5,500	(30,556)	-
MET-I Link	23,690	5,200	(28,890)	-
MET-Comp. based Health ed	22,000	33,000	(27,500)	27,500
Market Driven Training contracts in process	17,986	254,727	(17,986)	254,727

9. DEFERRED REVENUE *(continued)*

Miscellaneous	1,109	-	(1,109)	-
Manitoba Hydro	-	15,000	-	15,000
Northern Scientific Training Program	-	5,000	(4,043)	957
	$342,736	$612,332	$405,284	$504,784
Inter-Universities North Fund				
COPSE operating	$110,960	$27,720	$(110,960)	$27,720
COPSE overpayment	- 4,500	4,500	(4,500)	4,500
	$115,460	$32,220	$115,416	$32,220

10. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	Beginning of year	Increases	Decreases	End of year
KCC Operating Fund	$-	$176,876	$ -	$176,876
Inter-Universities North Fund	$33,686	$9,177	$8,823	$34,040

11. PENSION COSTS AND OBLIGATIONS

The corporation's employees are contributing members of the provincially operated Civil Service Superannuation Plan, a defined benefit pension plan. The accumulated superannuation liabilities of the corporation continue to be funded directly by the Province of Manitoba, rather than the corporation itself. The indirect benefit to the corporation of the pension benefits paid directly by the Province of Manitoba has not been quantified.

12. RECONCILIATION OF COPSE GRANTS RECEIVED AND GRANT REVENUE

	KCC	IUN
COPSE grant payments received during year	$11,770,500	$826,600
Less: Overpayment deferred to subsequent year	(105,100)	(4,500)
COPSE grants authorized for fiscal year	$11,665,400	$822,100

Notes to the Financial Statement

12. RECONCILIATION *(continued)*

Less: Deferred to subsequent fiscal year	(11,500)	(27,720)
Add: Deferred from prior fiscal year	-	57,721
Less: Deferred contributions related to capital assets	(176,876)	(9,177)
Add: Change in accrued ACRS and property tax funding	6,991	-
COPSES grant revenue (statement 3)	$11,484,015	$842,924

13. CONTRACTUAL OBLIGATIONS

The corporation has entered into various contracts to rent office equipment, lease facility space, and for services provided by third parties for food services, security and building management. Contractual obligations over the next five years are as follows:

2000/01	$125,000
2001/02	93,100
2002/03	40,500
2003/04	17,100
2004/05	-

14. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the financial statement presentation adopted for the year ended June 30, 2000. The financial statements for the year ended June 30, 1999 where reported on by another firm of Chartered Accountants.

SCHEDULES TO THE FINANCIAL STATEMENTS

Year ended June 30

SCHEDULE 1 - OTHER GRANT REVENUE

Province of Manitoba Employment & Training		
Computer Based Learning System	$129,700	$133,100
Aboriginal Distance Education	30,556	24,444
I-link and Other Technologies	28,890	23,110
Community Based Health Education	-	27,500
Flin Flon Employment Centre	59,512	-
Personal Leadership Development	67,650	-
Non-Timber Forest Products	31,440	-
	347,748	208,154
Government of Canada Western Economic Diversification		
Non-Timber Forest Products	31,485	-
University of Manitoba Faculty of Nursing	90,000	-
	$469,233	$208154

SCHEDULE 2 - ANCILLARY SALES AND SERVICES

Bookstore	$668,064	$796,397
Cafeteria	211,166	-
Residence	306,122	268,926
	$1,185,352	$1,065,323

SCHEDULE 3 - TUITION AND STUDENT FEES

Apprenticeship	$666,635	$384,400
Credit	1,081,958	1,133,901
Non-credit	10,898	13,771
	$1,759,491	$1,532,072

SCHEDULE 4 - KCC EXPENDITURES BY FUNCTION

			2000
	Salaries & Benefits	**Other**	**Total**
Academic	$5,787,597	$817,460	$6,605,057
Administration	1,154,635	695,385	1,850,019
Ancillary sales & service	494,113	717,328	1,211,440
Continuing education	2,410	1,290	3,700
Library	199,617	63,448	263,065
Market Driven Training	903,256	586,908	1,490,164
MIS	478,908	407,833	886,741
Plant	388,750	1,574,003	1,962,752
Program support	1,561,997	500,609	2,062,606
	$10,971,283	$5,364,261	$16,335,554